

The City Council of the City of Charlotte, North Carolina convened for a Business Meeting on Monday, May 6, 2024, at 6:05 p.m. in Room 267 of the Charlotte Mecklenburg Government Center with Mayor Vi Lyles presiding. Council members present were Dimple Ajmera, Danté Anderson, Tariq Bokhari, Tiawana Brown, Ed Driggs, Malcolm Graham, Renee Johnson, Lawana Mayfield, Marjorie Molina, and Victoria Watlington.

ABSENT UNTIL NOTED: Councilmember James Mitchell.

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Mayor Lyles said I want to call the Charlotte City Council meeting to order and thank you for those of you who are here this afternoon. So, good evening and welcome everyone to our meeting. Tonight, we're going to receive the Manager's proposed Budget presentation, which outlines the plans for advancing the strategic priorities adopted and approved by Council. This presentation provides an opportunity for our community to learn more about the investments plan that we have for our community members and our City. Tonight is just the introduction to the proposal. After tonight, we will have the opportunity to review and inquire and to be prepared for a May 13, 2024, budget public hearing, where members of our community will have the opportunity to speak to us to provide feedback as well on the Budget. So, we are really excited. If you're watching us now, and wish to speak on the budget on the 13th of May 2024, please call the City Clerk's office and sign up. You can do this online or by phone. Following the public hearing, the Council will convene on May 20, 2024, for the Budget Adjustments meeting. We have an entire process that we've gone through over a number of years, and the process primarily includes asking for things that may need to be added or changed as a result of the Budget, and we do that by basically having votes and making adjustments as we make those votes. So, straw votes really mean that at some point, as you get six votes it's in the Budget, and without six votes it's not.

So, I want to remind everyone that it's important to note that we have to adopt our Budget no later than June 30, 2024, by state law and the budget adoption here is by the end of the year, and for us that will be the Budget adoption vote scheduled for June 10, 2024. I want to highlight that we understand that meaningful change requires dedicated individuals committed to public service, and I want to thank every person that touched this Budget, every department. The work that you've done to make it possible for the Manager to have this recommendation to us today is truly something that we recognize and are really glad that you're participating in. Before I turn it over to the Manager, we'll go around and have introductions.

Councilmember Driggs said good evening, everybody. My name is Ed Driggs, District 7. I wanted to let my colleagues on Council know that even though we're not having committee report outs today, in TPD (Transportation, Planning and Development), we did discuss the text amendment on conservation that the staff has proposed to us, and on which they want to have a vote on the May 20, 2024. You may know that the Zoning Committee actually deferred any action on it, so we were talking about whether or not to proceed with that date on the May 20, 2024, and the, I think unanimous opinion, it wasn't a vote, but the unanimous opinion of the group was that we should proceed in order to stop that unintended development. So, if you have any questions about it, or don't feel that you would be ready on the May 20, 2024, please talk to Alyson or me, and just be aware that that's coming. That's really all I wanted to let you know right now. Thank you.

Mayor Lyles said with that last report, and the information that we need, now it is time for us to turn this over to the City Manager for his presentation. Mr. Jones.

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ITEM NO. 1: CITY MANAGER'S PROPOSED FY2025 BUDGET PRESENTATION

May 06, 2024

City Manager's FY2025 Proposed Budget Presentation

Minute Book 158B, Page 306

Marcus Jones, City Manager said thank you, Mayor and members of Council. So, I'm going to go into a little different territory just to start off with before I go into the proposed Budget that I will recommend to you tonight. I think it's extremely important to recognize what just happened in our City over the course of the last week, and for us to remember the four members of the law enforcement community that we've lost, Sam Poloche, William Elliott, Joshua Eyer, and Thomas Weeks. So, I've been here for eight years, and it's not the first time as a Manager that I've lost one of our Law Enforcement Officers. I've never seen a City pull together like Charlotte. So, what I just want to say is, acknowledge the families today and tomorrow and the next day and the next day and next week and the next month and the next year, and let's forget. The Chief and I talked this morning, and just the outpour of support, the resilience of the City, things that happened this weekend, the Festival, the soccer game, the Knights game, and just how so many folks in the community just came out to say thank you and we support you. So, I just love the City, love our 9,000 employees, and how we hang together, and I'm just proud to be the City Manager.

So, Charlotte is, I would say, a unique place, when you start to really think about our city.

Councilmember Mitchell arrived at 6:12 p.m.

We're the second fastest growing city in the country. While we're the 15th largest, we're the second fastest growing city, and that's from a 2020 to 2022 time period. So, we go and we visit cities, but we're growing faster than Phoenix, than Austin, than Denver, and we're somewhat unique in the sense that, many of the Enterprise Funds that are part of the City, are not necessarily parts of cities in other places. In other words, the airport, or the water system, or the transit system. These Enterprise Funds provide services to the region, not just to Charlotteans and Mecklenburg County. We do all this with the highest bond ratings and strong financial management. So, kudos to this unique City and this wonderful team.

We manage through challenges and uncertainty, and I will say that some of the pressures that we've had in the past have been stabilizing the workforce. It's great to see so many of the employees in the room tonight. Historic inflation and growth, tackling that, and meeting service expectations, and we've done a lot. Organizational reductions and realignments over the course of the last six years resulted in \$40 million of savings. I believe we use the Federal Stimulus Funds, the CARES (Community Assistance Response and Engagement Support) and ARPA (American Rescue Plan Act) Funds, better than any city in the country, making sure that we use them for one time, as opposed to having problems once these funds dry up. One thing that's important is, when we start to think about the revenue that comes in, about 70 percent of all the revenue we collect in the General Fund is related to property tax and sales tax, and those are places and spaces that we haven't really ventured into over the course of the last few years. I do want to set the stage and talk about the 12 largest cities in North Carolina and how we compare, and we benchmark our sales against those cities. So, in the light blue, you'll see the cities with a population of more than 250,000 people, and when we start to think about our property tax rate, we are the lowest of all of these cities, it would 13 including us, by a mile. When you start to look at this, we haven't raised property taxes in the last five years, where you have Raleigh who's raised them three times, Durham three times, Winston-Salem four times, and I know we're not those cities, but I think it's important to set the stage for how we've managed the City with the strong ratings and been able to keep our tax rate low.

I'm going to start where I ended last year, and we talked about, we were at this inflection point in the City, and how will we go about beyond FY (Fiscal Year) 2024, whether we're talking about a decline in services, kind of keep chugging along where we are, or are we able to think about providing more given the constraints we have around the revenues? You guys have been great. Each January, we have our Annual Strategy Meeting and you set the stage, it's a playbook, it's the things that are important to you. You've been consistent with these key initiatives, like affordable housing, our Corridors of Opportunity, SAFE (Safety and Accountability For Everyone) Charlotte,

pti:pk

May 06, 2024

City Manager's FY2025 Proposed Budget Presentation

Minute Book 158B, Page 307

mobility, what we do around arts and culture, small or minority business development, the digital divide, as well as SEAP (Strategic Energy Action Plan), and our 2040 Plan. What we've done in return, as you've been able to be consistent with what these key initiatives are, we look at this as really three buckets. We develop. We invest, and then we implement. So, two key initiatives that I am excited about over this next year, our workforce development strategy and our small business strategy, both of which should be completed in this calendar year. As we're starting down the pathway on those two areas, you'll see as we go to the implementation, that some of the other areas, like SAFE Charlotte and our Corridors of Opportunity, we are far beyond just the initial phase.

So, this Budget all in, is a \$4.2 billion Budget. When we start to think about the General Fund, which I'll focus on for most of this presentation, we'll bookend it with the Enterprise Funds. We'll do it at the beginning, and I'll do it at the end also. So, the General Fund grows by 7.7 percent, and that's where our starting point is. Each year, we have Budget principles, and we have not deviated from those Budget principles in this proposed Budget. So, in other words, we have a two-year lens, we just don't start with FY2025. We look at FY2025 and FY2026, because we don't want to do things in FY2025 that causes a lot of pain in FY2026. So, the Budget that I'm presenting to you tonight is structurally balanced, ongoing revenue matching ongoing expenditures, and as we move into FY2026, which ends June 30 of two years from now, what you will see is that, absent a salary increase, that's a structurally balanced Budget also.

So, we always start with our employees. That's the foundation for our success. It's important when we start to think about our employees, it's almost like we have almost three work streams. We have public safety. We have operations. We have administrative. So, when we think about public safety, some of the things that we had to do were around recruitment and retention, the Pay Plan structure changes, and any new incentives. We had multiple meetings with the Public Safety Pay Plan members, including today. Operations, a bit different. We've had multiple meetings with our employees that are in Operations, and they have certain other challenges around increasing minimum pay, career path opportunities, and new incentives and for the administrative staff, it had a lot to do with feedback we received was flexible work options and career opportunities. So, we're going to continue to support career growth in the City.

Last year's budget, we talked about a Special Assistant around workforce development, and we're starting to see the fruit of that labor already. We're starting to combine what we do internally, so that we can be stronger internally as well as externally. So, we're continuing the prepaid tuition assistance and career coaching. Prepaid tuition assistance is so important, because if you don't have the money to begin with, it doesn't help you to get reimbursed for something you don't have. So, what we've done is we trust our employees, and as they want upward mobility, we have continued the prepaid tuition and career coaching assistance, and Water, just to give a shoutout to Angela Charles, we have so many folks that are participating from Water. So, we can learn a lot from the Water system, and we also have almost 20 apprenticeships Citywide.

So, compensation increases, what we're doing for this Budget, and again, I want to start off by talking about what we've done during the pandemic, what we're doing now, and what we'll try to do in the future. Hourly employees, you may recall, in FY2023 we had an eight percent increase and in FY2024 a six percent increase. In this Budget, I'm proposing a five percent increase for our hourly employees on top of the eight and the six, but also a minimum of \$3,280 for our lowest paid employees. What that really does, it allows our lowest paid employees really to get closer to a seven percent increase, and what you'll find is there are about 1,200 employees that will get six percent or above. So, I don't want you to just lock into the five percent. What we're doing is something similar to last year, and it helps us with compression. Our salaried employees, what we have is a four percent merit pool, much like the current Fiscal Year, and we continue to have additional incentives, such as 2.5 percent if you have a CDL (Commercial Driver's License), which is related your job function, as well as, we talked about this a few years ago, shift differential pay of 2.5 percent for second and third shift. We continue to have

pti:pk

May 06, 2024

City Manager's FY2025 Proposed Budget Presentation

Minute Book 158B, Page 308

all access passes for all of our employees, so that's whether it's the bus or the train, something that would cost over \$1,400, you get it for \$32, not \$32 a month, but \$32 flat. I'm recommending that we increase the minimum pay to \$23 an hour. If we start to go back to 2018, our minimum pay was \$13.50, which basically results in about \$28,246. It's real tough to talk about affordable housing and upward mobility if we're not looking internally and how we pay our employees. So, this is a 70 percent increase from that period of time, where our minimum pay for our 40-hour a week employees will be \$23 an hour, which turns out to be \$47,840 a year. I will say that as we address some of the compression issues and have that bare minimum, what you'll find is that our employees that are with us today, with those adjustments, they'll make just under \$50,000 a year by November 2024. So, those, or our lowest paid employees, would make close to \$50,000 a year by November 2024, for those 40-hour week employees.

So, compensation is important, but also there's access to information. So, what do we learn from our employees? They want financial support. So, we have a coordinator to help them with understanding how to navigate what are the different incentives or programs that are in the City and outside the City. We're adding new financial planning resources. It provides employees access to a certified financial planner, and we're having for the first time an emergency loan program. You don't want something like a vehicle repair, or something in your house to cause you to fall back, as it relates to trying to keep up in terms of upward mobility, and we're having an employee advocate, and this employee advocate will have a formal role involved in workplace complaint resolution and pretermination hearings. Also, what we heard from our employees is they'd love to live in the City. So, we need to make sure that there are opportunities for our employees to live in the City. We've had the House Charlotte program, which provides \$30,000 in assistance Citywide. What we're doing is, we're doubling down on the House Charlotte Plus, which provides \$80,000 for assistance in purchasing a home anywhere in a corridor, and we're setting aside funds, for not only City employees, but County employees, as well as CMS (Charlotte Mecklenburg Schools), and that's part of the NEST (Neighborhood Equity and Stabilization) Commission recommendations. We're also launching a new initiative in partnership with CMS, where we want to create a pipeline of students who can graduate and then come work for the City of Charlotte, and I would hope that other employers would do the same. So, we're going to have 17 CMS high-school graduates come right into those City jobs starting at \$47,480 upon graduation. We're leveraging our ARPA funds. You've approved \$4.1 million previously. We have \$5 million that are remaining in ARPA funds that are around workforce development. So, we're looking forward to that workforce development strategic plan that'll be finished this calendar year.

Remember we talked about, we have salary employees, the folks that are hourly, and let's talk a little bit about public safety and specifically police. We knew that 2021 through 2023 were going to be challenging, because in the early 1990s, there was an influx of police officers in cities across the country, and when they got to that 30-year mark, they retired. So, not anything that we did that was not good, but we just knew that we were going to lose a bunch of police officers. Chief Jennings falls into that category, and we're fortunate that he has not retired. So, what did we do? What we did was we had a series of compensation changes, we changed recruitment efforts, and we added another recruit class. So, what you will see, the key here is that, as we were losing more officers than we were bringing in, for example, in 2021 the downturn was a negative 28 officers that left the system versus coming in, 2022 minus 52, 2023, which was the peak of retirements, 91, we had minus eight. What we're seeing right now through all of these efforts is that, in 2024 we believe that we're going to have more than 200 new officers come in, twice as much as what we would've had in 2021 or 2022, and we see that same pattern going forward in 2025 and 2026. So, we are hopeful that we have now gotten past that 30-year mark with the folks who came in the early 1990s, but we're continuing with that plan. For the past two Budgets, what we were able to do, which you approved, was to increase police officer pay, and it was a part of our Recruitment and Retention program. The last two years, starting pay increased by 23 percent, and top pay over the last two years increased by 14 percent. If we start to look at that, what does that mean? So, top pay for a police officer today, with a four-year degree, is \$99,811, and starting pay for a police officer with a four-year degree is \$62,911. What

pti:pk

May 06, 2024

City Manager's FY2025 Proposed Budget Presentation

Minute Book 158B, Page 309

we're doing on top of that, we are increasing between five to 7.5 percent increases for police officers on top of what we've done the past two years. Maybe something that a lot of people have not been familiar with, but back in 2011, as a Budget saving initiative, police moved from a 14-day pay cycle to a 28-day pay cycle. It's been one of their top issues for a while. I am recommending that we move back to that 14-day pay cycle, because a Budget savings back in 2011 doesn't really vibe with what we're trying to do today with our sworn.

We're also doing more than just compensation. We're investing and reducing the workload of our police officers. The SAFE Charlotte initiative talked a lot about areas such as CARES team and Civilian Crash Investigators. In this Budget, there's funding for both. So, when we start to think about the Civilian Crash Investigators, which are 16 of them, what they're going to be able to do is basically allow our sworn to get back to other areas of policing, and the value of that is about 25,000 hours per year, or the equivalent of 12 full-time police officers. We're also taking the CARES team, and we are adding an additional team, as well as expanding the hours, and a new geography. When we start to think about responses to calls, a couple years ago, actually October of 2022, we had a number of issues with trying to address 911 calls within that first 10 seconds. So, what we're doing is we've done a lot to help with this compensation with the pay that I mentioned earlier, but actually recruiting techniques, and we have really gotten that call response, close to 85 percent of all the calls are answered within 10 seconds. A little bit less than that 90, but very different than where we were in October 2022. We believe by adding 15 telecommunicators and building out the call center with renovations, that we can get back to the calls being answered 90 percent within 10 seconds.

Same thing with fire. All firefighters in the current fiscal year receive between five and eight percent in terms of a compensation increase, and Council, during the Budget adjustments, made sure that for similar roles in police and fire, that there was no more than a five percent separation in terms of compensation. In FY2025, we're going to build on that, and have up to 7.5 percent compensation increase for our firefighters, but we're also adding 72 positions, 57 firefighters, because as we're building these stations that are coming online, as we're addressing the growth, we need to staff fire also. We talked about inspections last year. We're adding 12 inspectors and three civilians. Every employee for the City of Charlotte is in the North Carolina Local Government Retirement System, with the exception of fire, so fire has its own independent retirement system. What I'm recommending in this Budget is to put more into the retirement system than what we had originally planned, because I have a bit of concern about the funding status, but I'm also recommending in this Budget that we have the CFRS (Charlotte Firefighter's Retirement System) Board of Trustees work with the staff to see how we can come up with a funding strategy to raise that funding status for fire. We have \$107 million of Fire Infrastructure program, and that includes new infill stations and replacement stations throughout the City. The capital plan that I'm presenting tonight has \$58.5 million from FY2025 to FY2029, to help finish building all these stations. You may remember five or six years ago, it was police stations that we were building, and now we're building a number of fire stations to help us as it relates responding to calls. I will say that I believe we have created a culture and environment where Charlotte is a good place to work, and that's important when to start to focus on your employees.

Now, you have a number of key initiatives that we talked about during the Annual Strategy Meeting, and I wanted to cover them just quickly, and some specifically, Affordable Housing, Arts and Culture, Corridors of Opportunity, Minority Woman and Small Business, Strategic Energy Action Plan, and SAFE Charlotte. So, let's start off with Affordable Housing. The last three bond cycles, we've had more funds in the last three bond cycles than we had in the previous nine bond cycles. So, if you start to think about this, \$150 million from 2018, 2020 and 2022 bond cycles, versus \$110 million from the beginning, which is roughly 2000 all the way up to the 2016 bond cycle, in these last three bond cycles, we've created 6,500 units in sheltering. So, we think that we have done a very good job with the Trust Fund, and to the point where, normally we have a spring RFP (Request For Proposal), but we've run out of money. So, that leads me to recommending that we increase the bond in 2024 to \$100 million, and in that

pti:pk

May 06, 2024

City Manager's FY2025 Proposed Budget Presentation

Minute Book 158B, Page 310

we've shown that we can do \$15 million, we shown that we can do \$50 million, we've shown that we could \$50 million when the private sector comes in and adds \$50 million to it also. I think what's important is, as we go through this, and there's a lot that's going on with the NEST Commission, there's a lot that's going on with the Housing and Community Safety Commission, to make sure that we're maximizing the use of these funds, and we're able to get more than just housing, but the opportunity for upward mobility without our community.

We also, as one of your key initiatives has been, the implementation of the playbooks for the six Corridors, and I would say that even the West Boulevard Corridor predates many of the Corridor playbooks, because it was just an idea, and then the idea was also embraced by the other five Corridors. So, we're finally to the point where we have all the playbooks done, and so it's time to act. We had \$10 million planned in the FY2025 Budget for our Corridors of Opportunity. I could tell from the conversations during the Annual Strategy Meeting and subsequent Budget meetings that this was not going to fly. So, what I'm recommending is to triple that and have \$30 million in this Budget for our Corridors of Opportunity, \$25 million of it being related to the CIP (Capital Investment Plan) and \$5 million in what we call PAYGO (Pay As You Go), and we've been very successful with these initiatives in the past.

Also, supporting arts and our ecosystem. This goes back to 2021 when the Mayor put together an Ad Hoc Council Committee, and it was a response to instability and the lack of funding in the arts and culture ecosystem. Workplace giving had gone done. Prerecession peak was \$10.7 million for these organizations. By the time we were at 2021, that \$10.7 million went down to \$4.3 million. Something had to be done, mainly because a lot of these organizations are in facilities in which we have debt on and that we pay debt on these facilities, and we couldn't let the lights go out. So, we started off with a request that if the City put in \$4 million, could the private sector also put in \$4 million over a period of time. The private sector, I guess, took our opening bid and raised it by two, and came in with \$6 million over a three-year period for \$18 million. City Council matched that \$18 million, and we had \$36 million to put into this ecosystem over a three-year period. Actually, private sector came in with an extra \$5 million. So, it become an opportunity for the City to develop a plan with the private sector to see what we would do after that three-year period. We're at the end of the three-year period, and my recommendation is to have \$11 million, which is three times the City's pre-COVID amount, put into arts and culture, so that we can not only stabilize the ecosystem, but to make the ecosystem grow.

So, we're carrying forward the previous ASC (Arts and Science Council) and Infusion Fund organizations with limited exceptions. There are a few organizations that are outside of the City that would be funded by the County, and what we would do is add \$9 million to these organizations, much like it has been done in the past. There's a great opportunity for collaboration with the County, that they too may be able to fund some of these organizations for their educational efforts. So, that's important that we would, not only just stabilize the arts and culture ecosystem, but now have a pathway forward for them to grow. Then, what we found also, was that individual artists and organizations are extremely important to the ecosystem too. So, I'm recommending that we set aside \$2 million of this \$11 million for that. I think it's important that when all of the dust settles, and we see the City's contribution and the County's contribution, that you'll see that it is something that's good for, what we would call, the bigs, the smalls, the mediums, the Allana Groups, as well as the individual artists and other organizations. So, I believe that this is what you wanted when you said, "Let's change the trajectory of arts and culture in our community."

We're also very excited to be a part of Bloomberg American Sustainable Cities. We're one of 25 cities nationwide that have been brought in, and it represents about 10 million people across the country, and Bloomberg has been very clear. It is, how can we supercharge three of our existing focus areas? So, the concept is, how might we deliver on the most equitable, sustainable infrastructure and clean energy investment in Charlotte's history while building black wealth? He's made it very clear that is how they're going to help us with an innovation team with three staff and technical

pti:pk

May 06, 2024

City Manager's FY2025 Proposed Budget Presentation

Minute Book 158B, Page 311

assistance. We're also implementing our MWSBE (Minority, Women, Small Business Enterprise) programs and policies. You may recall that recently when the City put \$2 million in to launch Charlotte's Small Business Growth Fund, that actually helped pull in another \$38 million, so that \$40 million over a four-year period is going to help 2,000 businesses with 70 percent of those businesses being estimated to be businesses of color. The Charlotte Business INClusion, what we're doing is focusing on MWSBE subcontractors. See how we can get them to be primes, and in business development, we continue to support AMP Up and NEXT Charlotte that is graduating companies and we're seeing some wonderful things happening in our ecosystem.

It wouldn't be a Budget presentation without talking a bit about SEAP. It's a fabric of our organization. Sometimes you look into the Budget and try to find a line that says SEAP. I don't think that's the way we look at it anymore. It's much like the Corridors of Opportunity, it's what we do, and we're starting to get accolades ranked in the top 20 percent by the American Council for Energy Efficient Economy, and we have an A-, and sometimes you don't want an A-, but for Disclosure Insight Action for superior citywide sustainability efforts when the national average is a B, so I'll take that A- any day of the week. We're also implementing the existing plan while adding a new focus to SAFE Charlotte. Much of the work is being done in the referral process, and an emphasis on age 17 and below, property and violent crime, at risk youth, first time offenders, and repeat offenders. So, this Budget sets aside \$3.5 million for the work that will come out of the committee, and it should be consistent with, what are the recommendations of the committee? We're also having opportunities today in our Corridors of Opportunity with our Mayor's Youth Employment Program, where we're having 150 MYEP (Mayor's Youth Employment Program) individuals in the Corridors this year, a three time increase from the summer of 2023, as well as new partnerships with Teach For America in our Corridors. As we start to talk about alternatives to violence, as well as our Hospital-Based Violence Intervention Program, which we call [inaudible], we're finding that for every \$1 that the City invests is worth \$3 that comes from leveraging the federal government, the private sector. I would have to say kudos to Representative Alma Adams for bringing home significant dollars as it relates to our alternatives to violence, and also for the recent award from Atrium to the [inaudible] program, that is the hospital-based initiative.

We talk about safety, and you can't talk about safety without having a conversation about what's happening in Uptown. We used to always look at this as a three-legged stool, or three pillars, the quality of life, the public realm, and economic development. While there are programs that are happening in Uptown, and kudos to Chief Jennings, as they've been able to reduce violent crime through certain programs, I think it's important to have this \$5 million investment as we start to think about the built environment also, and quality of life that we have in Uptown.

So, I'm going to do my best, Teresa Smith, and read from right to left, which she always confuses me when she does that. This is where we have been with mobility. If you start off going right left, June 20, 2022, we had our Strategic Mobility Plan and I think the room, more or less said, "Where is this thing going?" Then, a year later, we had the Strategic Mobility Plan, the blueprint, to really start to talk about areas. Then, most recently, April 20, 2024, we had our strategic investment areas, where we started to talk about those 16 bundles, and it almost became, I guess, a framework for how we talk about all the growth issues that we have in the City. So, it took us a while, but we feel that we're in a good place. So, if we start to talk about the February 2024 Budget Workshop, we had a steady state of \$210 million in each bond cycle. We did that years ago, because we wanted some certainty in what we could afford, and what we could afford may be very different than what we wanted, but it did allow us to have this fiscally constrained opportunity as we move forward. In the Annual Strategy Meeting, we came back and said well, that capacity had grown from \$210 million to \$228 million, but also there were some pulls on that capacity, because of inflation. As I've talked about earlier, when we start to talk about this blueprint and what we're doing in mobility, we have these 16 focus areas, and we call them strategic investment areas, and we also have the Corridors of Opportunity. So, while this is just a bunch of bubbles that you have right now, I think here's the key with it. We need to make sure that we're focused on

pti:pk

May 06, 2024

City Manager's FY2025 Proposed Budget Presentation

Minute Book 158B, Page 312

investments that can maximize what we invest, make sure it's scalable and make sure it's measurable and make sure it's adaptable. You guys fell in love with some of the folks who visited us during the Annual Strategy Meeting. Well, we have a couple of them under contract, and our concept is simply this. We're going to put \$2 million aside to look at innovation pilots throughout the City, and that is micro transit, mobility hubs, vehicle to infrastructure communications, transportation demand strategies. How can we take technology and do something different? Maybe more importantly, how can we get projects shovel-ready so the community can say, "Okay, we're not going to put something on a shelf and wait for six to eight years."

So, again, I'm going to ask, as Councilmember Bokhari would say, "What's the punchline?" So, if we look at this, we could stay where we are at that \$210 million, \$228 million, but hopefully you feel you have an appetite for some of the things that I've shown you up to this point. So, we have a couple of options, and I still believe when we start to think about a transportation initiative that's bold, and it's for this region, I do believe the sales tax is the best way to go. When you start to think about the sales tax, 30 percent of the people that actually pay the sales tax do not live in Mecklenburg County. So, there are different ways that the sales tax can benefit all of us, but we have to come together as a region to be able to do that. Today, I'm suggesting a one-time infusion that's not sales tax related. So, my proposal is to take that \$210 million planned bond, and have it moved up to \$400 million, and we do that a couple of ways. One is, I call it pulling forward capacity. Remember we have \$228 million of capacity in each bond for the next 10, 20, 30 years. So, pull some of that capacity forward, add some revenue into it, and let's see what we can do for this upcoming bond to show the community that we're ready to do more. So, what's in this upcoming bond, that \$400 million. So, the Corridors of Opportunity, as I mentioned earlier, we had \$10 million planned. I'm recommending that we add \$15 million to that. That would be the highest on record for Corridors of a bond. I mentioned that housing, \$50 million is what's planned. I'm recommending that it doubles to \$100 million, again, the highest on record. Then, for the transportation, we had \$115 million planned. I'm recommending that we move it up to \$238 million, which is \$123 million more than planned, and that \$238 million would be the highest on record for any transportation bond.

Let's do a deep dive into what's going on. So, if we go and compare that \$210 million to where we're going at this \$400 million, bicycles were at \$8 million, we're continuing that at \$8 million. Congestion mitigation was at \$10 million, we're continuing it at that. What we're doing is, as we start to think about Vision Zero, we had \$4 million planned, I'm recommending \$20 million. So, that's where this \$210 million is growing to the \$400 million. We think that Vision Zero is a great investment, and this would be five times more than what was planned. Same concept with sidewalks. Sidewalks, we only had \$20 million planned. I'm suggesting that we move that back up to \$50 million, which matches the highest that's on record, that's 2.5 times what was planned. In the new program, setting aside \$55 million, we're recommending for the strategic investment areas. Those 16 areas we had talked about, may cost you anywhere from \$20 million to \$25 million for any area, but if you put that on top of sidewalks and on top of congestion mitigation and what we have set aside for the Corridors, I really believe that we can move some projects forward faster, and we're going to change the way that we deliver projects. I'm looking at future bond cycles for the 2026 bond cycle, I'm recommending \$243.5 million, the same for the 2028, again, pulling some of that capacity forward, and by the time we get out of these last three bond cycles, we'd go back to something that is closer to the \$210 million, but not \$210 million, a little bit more, \$220 million in perpetuity.

So, how do we implement the vision? I think it's important to talk about, and we did this at the retreat, that I believe there's great value for our residents, because the cost of service, and that is when you take the City and County services combined, their taxes, their water, sewer, stormwater, vehicle fees, Solid Waste Services and recycling, Charlotte is about \$1,500 less than the next large city on that list. So, there's value for the services that we provide, and again, we've already talked about our property tax history and where we are. So, what I'm recommending is a 1.5 cent property tax increase, nine-tenths of the penny will be in the General Fund, and virtually all of that is

pti:pk

May 06, 2024

City Manager's FY2025 Proposed Budget Presentation

Minute Book 158B, Page 313

for public safety. We've gone back and looked at public safety increases over the last 20 years, this would be the largest, and this is helping fund that. Then, there is a \$0.3 cent increase that we're moving right into the CIP, and pulling some funds forward, also capacity for it, and then a \$0.3 cent for arts and culture, for a total of 1.5. So, what does that mean? That's roughly \$4.48 a month for the typical homeowner, or roughly about \$54 a year. Also, there's \$7 million left in ARPA interest that is not programmed in this Budget whatsoever. My recommendation is, as the Council decides on how to use this remaining \$7 million of ARPA interest, that it continues to be for one-time issues and not ongoing.

Serving our region. I said that I would bookend this presentation with the Enterprise Funds and how unique we are as a city. There are some things, and you know these things, if we start to think about aviation and it's worth five percent of the State's GDP (Gross Domestic Product), it's the seventh busiest airport in the world, and we had 53 plus million passengers in 2023. It's not a small thing. Water and Stormwater. It's important to note that we serve more than 1 million customers per day in multiple jurisdictions. It serves four counties and four cities. It's not just the City of Charlotte. So, thank you, Angela, there. Then, I don't know if Brent's even in the room, but the Charlotte Area Transit. I just give kudos to Brent Cagle for stepping in. There's 12 million people that are served annually, reliability is up. A year ago, 10 percent of the trips were missed, we're less than one percent of the trips. In terms of vacancies, vacancies have been cut in half, recruitment's up, communication is better, morale is better, and to have Enterprise Funds like these that are operated by the City that are exceptional, I think that's kudos to the entire team. The fees, as we look at the fee increases, Solid Waste fee is going to go up basically \$0.78 a month, the Water fee roughly \$4.30 a month, and Stormwater \$0.47 a month. So, while this is an infusion in the 2024 bond, I think it's putting us on the right trajectory, this 1.5 cent increase.

This comes the time now, Mayor and Council, where I turn this over to you. It's your Budget. We stand ready to answer any questions that you have over the next weeks. I also want to thank Team Charlotte, all of the Assistant City Managers, all of the department heads, especially our Budget Director, Ryan Bergman, and our CFO (Chief Financial Officer), Teresa Smith. It's almost a year-round endeavor to put a Budget together, and we believe we've captured the essence of some of the issues that you've brought to our attention over the last year. So, Mayor, with that said, it's your Budget, and I appreciate the time that you've given me tonight.

Mayor Lyles said thank you very much, Mr. Jones. This is our process for now. You will get a copy of the deck from the Budget Office, and so you don't have to worry about kind of keeping what all the deck and the slides were. I think what's most important here is that I believe that you've given us a ton of information and [inaudible] so much of the work that we're doing. You're getting the Budget books now, but I believe that we really need to take some time to read, absorb, review, inquire. The inquiry is very, very important, because these are the things that if we are going to continue to do this work and start thinking about what we want to do and accomplish, we will have meetings, and you can see that we'll have the public hearing on May 13, 2024. There will be meetings for the Council at any point in time for review of the Budget, and we'll be working with the Constituent Relations. We'll get together with Budget, and we'll have these meetings assigned. They are open public meetings, but there is an opportunity, as you begin to think about what's in the Budget and what you want to do. I find that it's really, really great, helpful, if you have a change that you want to have, that you get the staff to work with you on what you want to do, making sure that it's consistent with what you want to achieve. So, that's what I think is our next step. So, we've got some time, our Budget public hearing, hearing from the public, before we make our own decisions, and then we'll have Budget adjustments in between that, so we'll have time for the meetings with the Budget Team and the Manager as well.

So, with that, Mr. Jones, I want to say thank you and amplify your comments to have all of the folks that work for our community here today to hear what the recommendations are. Actually, I always kind of remind people that the people that are in this room are also often our constituents, and so it's great to have you come in. I think you're great

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ambassadors for what we do, and we talk to people about. I especially want to say thank you to the group that works on this, Ryan, your team, and Teresa, your team, terrific. So, with that, we will take this document, we're going to walk through it, you're going to have an opportunity to make calls and comments with the team that's put this together, and with that we are adjourned on the Budget presentation meeting. So, thank you very much, everyone, and look forward to May 13, 2024, as our next opportunity. Mr. Jones, thank you.

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ADJOURNMENT

The meeting was adjourned at 6:45 p.m.



Ariel Smith, Lead Clerk

Length of Meeting: 45 Minutes
Minutes completed: December 2, 2024